日本賃貸住宅投資法人
Japan Rental Housing Investments Inc.

English Translation
The following is an English translation of the original Japanese press release and is being provided for informational purposes only.

December 24, 2019

To All Concerned Parties

REIT Issuer: Japan Rental Housing Investments Inc.
4-17-33 Minami Aoyama Minato-ku, Tokyo 107-0062
Ikuo Shoda, Executive Director
(Securities Code: 8986)
Asset Manager: Daiwa Real Estate Asset Management Co. Ltd.
Toshio Fukushima, President and Chief Executive Officer
Inquiries: Seiji Kimoto, Deputy Chief Corporate Division Officer
Tel: +81-3-6757-9680

Notice Concerning Amendment to the Articles of Incorporation and Appointment of Directors

Japan Rental Housing Investments Inc. (hereinafter referred to as the "Corporation") announces that it has decided, at its board of directors' meeting held today, to submit the agenda concerning amendments to the articles of incorporation (Agenda Item 1) and appointment of directors (Agenda Items 2 and 3) as described below to the 13th General Meeting of Unitholders scheduled to be held on February 13, 2020 (hereinafter referred to as the "General Meeting of Unitholders"). Please refer to the attached "Convocation Notice of the 13th General Meeting of Unitholders" for further details.

The following will be effective by the approval of the General Meeting of Unitholders.

1. Outline and Reason for Amendments to the Articles of Incorporation (Agenda Item 1)

(1) Amendments subject to the absorption-type merger with Nippon Healthcare Investment Corporation taking effect

i. In connection with the absorption-type merger (the "Merger") pursuant to the merger agreement dated November 19, 2019 entered into between the Corporation and Nippon Healthcare Investment Corporation ("NHI") with the Corporation being the surviving corporation and NHI being the absorbed corporation, the Corporation will change its trade name in light of the fact that the Corporation will add healthcare facilities to its primary investment target in addition to rental housing properties (the heading and Article 1 of Proposed Amendments).

ii. In connection with the Merger, as investment policies of the Corporation, healthcare facilities will be added as the Corporation's primary investment target, and the investment criteria for such healthcare facilities and the attitude for sale with respect to real estate owned, which are provided for in NHI's Articles of Incorporation, will be added, as well as new necessary provisions, such as those addressing investment target areas for healthcare facilities, will be added, and certain provisions and language will be adjusted as appropriate (Article 10 of Proposed Amendments).

iii. In connection with the Merger, the real estate backed securities and other specified assets, which is provided for as investment target assets in NHI's Articles of Incorporation, will be added to the investment target assets of the Corporation, and necessary adjustments of provisions such as replacement of definitions will be made (Article 11 of Proposed Amendments).

iv. With respect to investment restrictions, in line with NHI's Articles of Incorporation, provisions will be added in order to (i) increase the flexibility of investment in securities and monetary receivables by stipulating that the Corporation will take into account not only the safety or liquidity, but also relevance to the real estate, etc. or the real estate backed securities, and (ii) clarify that investment in renewable energy power generation facilities will be conducted only when it is necessary or useful to acquire such assets in connection with acquisition of the real estate, etc. or the real estate backed securities (Article 12 of Proposed Amendments).

v. In connection with the Merger, the provision regarding the leasing of portfolio assets will be amended by adding the leasing method which is provided for in NHI's Articles of Incorporation to the Corporation's leasing method for portfolio assets (Article 13, Paragraph 1 of Proposed Amendments).

vi. With respect to the provisions regarding the methods, standards and calculation date of appraisal of assets, amendments such as addition of the real estate backed securities will be made in connection with the amendment of the provisions regarding the investment target in Article 11 of the Article of Incorporation (Article 14, Paragraphs 1 and 3 of Proposed Amendments).

vii. In connection with the change of the term of office of the Directors due to the appointment of the Directors at the General Meeting of Unitholders, the date of the convocation of general meetings of unitholders and the record date will be amended in order to appropriately adjust the date when general meetings of unitholders will be held in the future (Article 19, Paragraph 2 and Article 25, Paragraph 1 of Proposed Amendments).

viii. With the aim of establishing an asset management fee system that focuses on the management outcome, the asset management fees to be paid from the Corporation to the asset management company will be amended so that Management Fee 1, which has been previously linked to the total asset amount on the balance sheet of the Corporation, will be linked to the total asset valuation amount of the Corporation as well as its maximum fee rate (annual rate) will be reduced from 0.50% to 0.20%, and the maximum fee rate of Management Fee 2, which is linked to net income before income taxes, will be increased from 3.0% to 8.0% (Exhibit I (1) and (2) of Proposed Amendments).

ix. In connection with the addition of healthcare facilities to the investment target assets of the Corporation due to the Merger, different maximum acquisition fee rates will be stipulated separately with respect to each of the acquisition target assets in order to make the acquisition fee to be paid by the Corporation to the asset management company at an appropriate level in light of the type and nature of the acquisition target assets (Exhibit I (3) of Proposed Amendments).

x. In addition to the above, in order to clarify the contents of provisions, replacement of certain definitions of words, phrases, and terms, and adjustment and coordination of provision numbers, will be made.

xi. In order for the amendments to the Articles of Incorporation from (i) through (x) above to become effective subject to the Merger taking effect, such condition will be provided for in the Supplementary Provisions (Article 41, Paragraph 1 of Proposed Amendments).

(2) Amendments to be effective as of April 1, 2020

i. The location of the head office of the Corporation will be amended from Minato-ku, Tokyo to Chuo-ku, Tokyo, where the head office of Daiwa Real Estate Asset Management Co. Ltd., the asset management company of the Corporation, is located (Article 3 of Proposed Amendments).

ii. In order to ensure flexibility, the timing of payment of compensation for the Independent Auditor will be amended to the end of the month following the month when the Corporation has received all the audit reports required under the Investment Trust Act and other relevant laws and regulations (Article 36 of Proposed Amendments).

iii. The provision regarding the Corporation's burden of expenses will be modified to ensure flexibility in order to reduce the burden of the Corporation (Article 40 of Proposed Amendments).

iv. In order for the amendments to the Articles of Incorporation from (i) through (iii) above to become effective on April 1, 2020, which is the first day of the 29th fiscal period of the Corporation, such condition will be provided for in the Supplementary Provisions (Article 41, Paragraph 2 of Proposed Amendments).

2. Appointment of Directors (Agenda Items 2 and 3)

Since Executive Director Ikuo Shoda and Supervisory Directors Kouhei Yabuta and Jun Nagamine have shown their intention to resign as of the date immediately preceding the effective date of the Merger in anticipation of the Merger taking into effect, subject to the Merger taking effect, two Executive Directors (Ikuo Shoda and Shunichi Suzuki) and three Supervisory Directors (Kouhei Yabuta, Jun Nagamine and Chizuko Nakata) will be appointed as of the effective date of the Merger (scheduled on April 1, 2020).

Agenda Item 2	[Appointment of Two Executive Directors]	Candidate:	Ikuo Shoda (re-election) Shunichi Suzuki (new election)
Agenda Item 3	[Appointment of Three Supervisory Directors]	Candidate:	Kouhei Yabuta (re-election) Jun Nagamine (re-election) Chizuko Nakata (new election)

3. Schedule

December 24, 2019:
Board of Directors' Meeting to Approve the Agenda to be submitted to the General Meeting of Unitholders
January 22, 2020 (scheduled):
Dispatch of Convocation Notice of the General Meeting of Unitholders
February 13, 2020 (scheduled):
Date of the General Meeting of Unitholders

Attachment: Change of Asset Management Fee System
Convocation Notice of the 13th General Meeting of Unitholders

*URL: https://www.jrhi.co.jp/en/

Change of Asset Management Fee System

■ Before Merger

JRH

Management Fee 1	Management Fee 2
Total assets × 0.5%	Income Before Income Taxes × 3.0%

Acquisition Fee	Disposition Fee	Merger Fee
Acquisition Price ×1.0%	Disposition Price ×0.5%	Valuation of Properties to Succeed ×1.0%

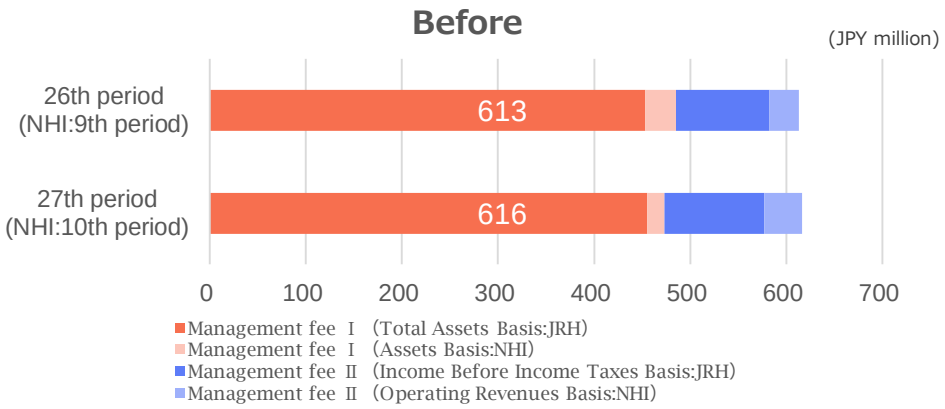
NHI

Management Fee 1 (Assets Basis)	Management Fee 2 (Operating Revenues Basis)
Total Valuation of Properties × 0.15%	Operating Revenues (a−b) (Note 1) × 6.5%

Management Fee 3 (Acquisition Basis)	Management Fee 4 (Disposition Basis)
Acquisition Price × 1.5%※ (including acquisition by a merger)	Disposition Price × 0.5%

※ The maximum rate under the Articles of Incorporation of NHI is 2%, but as of the date of this document, the rate for the acquisition fee is agreed at 1.5%.

Assumption of merger only

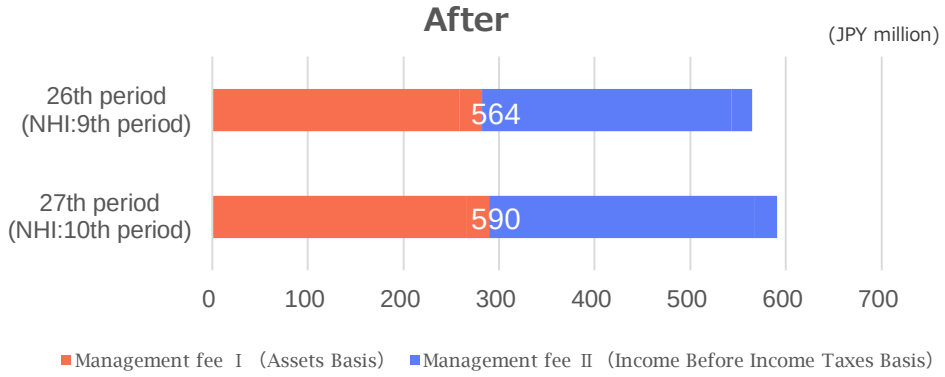


■ After Merger (Note 2)

DLI (New REIT)

Management Fee 1	Management Fee 2
Total Valuation of Properties × 0.2%	**Income Before (Note 3) Income Taxes × 8.0%**

Acquisition Fee	Disposition Fee	Merger Fee
Acquisition Price × 1.0% (Residence) Acquisition Price × 1.5% (Healthcare)	Disposition Price × 0.5%	Valuation of Properties to Succeed × 1.0%



(Note 1) Operating revenues above is the amount calculated by subtracting b from a below.
a = the amount calculated by adding other operating revenues to operating revenues on the profit/loss statement
b = the amount calculated by subtracting depreciation from operating expenses on the profit/loss statement
(Note 2) The change is subject to an approval at the General Meeting of Unitholders of JRH to be held on February 13, 2020.
(Note 3) The net income before income taxes (the amount after adding goodwill amortization cost and deducting gain on negative goodwill) prior to the deduction of Management Fee 2 calculated for each fiscal period

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投資に関する最終決定は、皆様御自身の判断で行ってくださいますようお願い申し上げます。

(Securities Code: 8986)
January 22, 2020

Dear Unitholders:

4-17-33 Minami Aoyama Minato-ku, Tokyo
Japan Rental Housing Investments Inc.
Executive Director Ikuo Shoda

Convocation Notice of the 13th General Meeting of Unitholders

This is to inform you that the 13th General Meeting of Unitholders of Japan Rental Housing Investments Inc. ("JRH") will be held as described below. You are cordially invited to attend the General Meeting of Unitholders.

Please note that you may exercise your voting rights via the voting rights exercise form if you are unable to attend the General Meeting of Unitholders in person. In such case, you are requested to carefully examine the attached "Reference Documents Concerning the General Meeting of Unitholders" and, after indicating your votes for or against each proposal on the enclosed voting rights exercise form, to send such form to us, ensuring that the form will reach us by no later than 5:10 p.m. on Wednesday, February 12, 2020 that marks the close of our business of the day immediately preceding the date of the General Meeting of Unitholders.

In accordance with Article 93, Paragraph 1 of the Act Concerning Investment Trusts and Investment Corporations, JRH has set out the provisions concerning "Deemed Approval" in Article 24 of the current Articles of Incorporation.

Accordingly, please be aware that if you are not present at the General Meeting of Unitholders and do not exercise your voting rights via the voting rights exercise form, your voting rights will be included in the number of voting rights of the unitholders in attendance and JRH will deem that you have voted in favor of each proposal submitted to the General Meeting of Unitholders.

(Extract from the Current Articles of Incorporation of JRH)
Article 24 (Deemed Approval)

1. Any unitholder who does not attend a general meeting of unitholders and does not exercise his/her voting rights shall be deemed to be in favor of any proposal submitted to such general meeting of unitholders (provided, however, that in cases where two or more proposals are submitted and any such proposal is in conflict in its nature with another proposal, both of such proposals shall be excluded from such deemed approval).
2. The number of voting rights owned by the unitholder deemed to be in favor of a proposal in accordance with the preceding paragraph shall be included in the number of voting rights of the unitholders in attendance.

Details

1. Date and Time: February 13, 2020 (Thursday) at 10:00 a.m.

2. Place: 18th Floor, GranTokyo North Tower,
1-9-1 Marunouchi, Chiyoda-ku, Tokyo

3. Purpose of the General Meeting of Unitholders:

Resolutions

Resolution 1: Amendments to the Articles of Incorporation

Resolution 2: Appointment of Two (2) Executive Directors

Resolution 3: Appointment of Three (3) Supervisory Directors

END

* If you attend the General Meeting of Unitholders in person, please submit the enclosed voting rights exercise form to the receptionist at the venue.
* If you choose to exercise your voting rights by proxy, you may appoint another unitholder with voting rights to attend the General Meeting of Unitholders as your proxy. In such case, such proxy shall submit your voting rights exercise form together with a document certifying the status of the proxy.
* Method of publicizing in the case of revision of the Reference Documents Concerning the General Meeting of Unitholders:
Please note that any revisions that are required to be made, by the date preceding the date of the General Meeting of Unitholders, to the matters included in the Reference Documents Concerning the General Meeting of Unitholders will be posted on JRH's Web Site (https://www.jrhi.co.jp/).
* For this general meeting, the "Session of Asset Management Report" will not be held by the asset management company of JRH.

Reference Documents Concerning the General Meeting of Unitholders

Resolution and Reference Items

Resolution 1: Amendments to the Articles of Incorporation

1. Reasons for Amending the Articles of Incorporation

(1) Amendments subject to the absorption-type merger with Nippon Healthcare Investment Corporation taking effect

i. In connection with the absorption-type merger (the "Merger") pursuant to the merger agreement dated November 19, 2019 entered into between the Corporation and Nippon Healthcare Investment Corporation ("NHI") with the Corporation being the surviving corporation and NHI being the absorbed corporation, the Corporation will change its trade name in light of the fact that the Corporation will add healthcare facilities to its primary investment target in addition to rental housing properties (the heading and Article 1 of Proposed Amendments).

ii. In connection with the Merger, as investment policies of the Corporation, healthcare facilities will be added as the Corporation's primary investment target, and the investment criteria for such healthcare facilities and the attitude for sale with respect to real estate owned, which are provided for in NHI's Articles of Incorporation, will be added, as well as new necessary provisions, such as those addressing investment target areas for healthcare facilities, will be added, and certain provisions and language will be adjusted as appropriate (Article 10 of Proposed Amendments).

iii. In connection with the Merger, the real estate backed securities and other specified assets, which is provided for as investment target assets in NHI's Articles of Incorporation, will be added to the investment target assets of the Corporation, and necessary adjustments of provisions such as replacement of definitions will be made (Article 11 of Proposed Amendments).

iv. With respect to investment restrictions, in line with NHI's Articles of Incorporation, provisions will be added in order to (i) increase the flexibility of investment in securities and monetary receivables by stipulating that the Corporation will take into account not only the safety or liquidity, but also relevance to the real estate, etc. or the real estate backed securities, and (ii) clarify that investment in renewable energy power generation facilities will be conducted only when it is necessary or useful to acquire such assets in connection with acquisition of the real estate, etc. or the real estate backed securities (Article 12 of Proposed Amendments).

v. In connection with the Merger, the provision regarding the leasing of portfolio assets will be amended by adding the leasing method which is provided for in NHI's Articles of Incorporation to the Corporation's leasing method for portfolio assets (Article 13, Paragraph 1 of Proposed Amendments).

vi. With respect to the provisions regarding the methods, standards and calculation date of appraisal of assets, amendments such as addition of the real estate backed securities will be made in connection with the amendment of the provisions regarding the investment target in Article 11 of the Article of Incorporation (Article 14, Paragraphs 1 and 3 of Proposed Amendments).

vii. In connection with the change of the term of office of the Directors due to the appointment of the Directors at the General Meeting of Unitholders, the date of the convocation of general meetings of unitholders and the record date will be amended in order to appropriately adjust the date when general meetings of unitholders will be held in the future (Article 19, Paragraph 2 and Article 25, Paragraph 1 of Proposed Amendments).

viii. With the aim of establishing an asset management fee system that focuses on the management outcome, the asset management fees to be paid from the Corporation to the asset management company will be amended so that Management Fee 1, which has been previously linked to the total asset amount on the balance sheet of the Corporation, will be linked to the total asset valuation amount of the Corporation as well as its maximum fee rate (annual rate) will be reduced from 0.50% to 0.20%, and the maximum fee rate of Management Fee 2, which is linked to net income before income taxes, will be increased from 3.0% to 8.0% (Exhibit I (1) and (2) of Proposed Amendments).

ix. In connection with the addition of healthcare facilities to the investment target assets of the Corporation due to the Merger, different maximum acquisition fee rates will be stipulated separately with respect to each of the acquisition target assets in order to make the acquisition fee to be paid by the Corporation to the asset management company at an appropriate level in light of the type and nature of the acquisition target assets (Exhibit I (3) of Proposed Amendments).

x. In addition to the above, in order to clarify the contents of provisions, replacement of certain definitions of words, phrases, and terms, and adjustment and coordination of provision numbers, will be made.

xi. In order for the amendments to the Articles of Incorporation from (i) through (x) above to become effective subject to the Merger taking effect, such condition will be provided for in the Supplementary Provisions (Article 41, Paragraph 1 of Proposed Amendments).

(2) Amendments to be effective as of April 1, 2020

i. The location of the head office of the Corporation will be amended from Minato-ku, Tokyo to Chuo-ku, Tokyo, where the head office of Daiwa Real Estate Asset Management Co. Ltd., the asset management company of the Corporation, is located (Article 3 of Proposed Amendments).

ii. In order to ensure flexibility, the timing of payment of compensation for the Independent Auditor will be amended to the end of the month following the month when the Corporation has received all the audit reports required under the Investment Trust Act and other relevant laws and regulations (Article 36 of Proposed Amendments).

iii. The provision regarding the Corporation's burden of expenses will be modified to ensure flexibility in order to reduce the burden of the Corporation (Article 40 of Proposed Amendments).

iv. In order for the amendments to the Articles of Incorporation from (i) through (iii) above to become effective on April 1, 2020, which is the first day of the 29th fiscal period of the Corporation, such condition will be provided for in the Supplementary Provisions (Article 41, Paragraph 2 of Proposed Amendments).

2. Details of the Amendments to the Articles of Incorporation
The details of the amendments are set forth below.

(Underlining indicates changed portions.)

Current Articles of Incorporation	Proposed Amendments
ARTICLES OF INCORPORATION of JAPAN RENTAL HOUSING INVESTMENTS INC. *(Nihon Chintai Jutaku Toshi Hojin)*	ARTICLES OF INCORPORATION of DAIWA SECURITIES LIVING INVESTMENT CORPORATION *(Daiwashoken Living Toshi Hojin)*
Article 1. *(Trade Name)* The investment corporation shall be called *Nihon Chintai Jutaku Toshi Hojin*, and in English, Japan Rental Housing Investments Inc. (the "Corporation").	Article 1. *(Trade Name)* The investment corporation shall be called *Daiwashoken Living Toshi Hojin*, and in English, Daiwa Securities Living Investment Corporation (the "Corporation").
Article 3. *(Location of Head Office)* The Corporation shall have its head office in Minato-ku, Tokyo.	Article 3. *(Location of Head Office)* The Corporation shall have its head office in Chuo-ku, Tokyo.
Article 10. *(Investment Policies)* 1. The Corporation shall invest mainly in the Real Estate, etc. (the Real Estate, etc. set forth in Article 11, Paragraph 2 hereof; the same shall apply hereinafter unless otherwise separately stipulated) among the Specified Assets set forth in Article 11, Paragraphs 2 and 3 hereto that is primarily used as housing (the Real Estate, etc. primarily used as housing shall hereinafter be referred to as the "Rental Housing") in accordance with the basic asset management policies set forth in Article 9.	Article 10. *(Investment Policies)* 1. The Corporation shall invest mainly in the Real Estate, etc. (the Real Estate, etc. set forth in Article 11, Paragraph 2 hereof; the same shall apply hereinafter unless otherwise separately stipulated) or the Real Estate Backed Securities (the Real Estate Backed Securities set forth in Article 11, Paragraph 3 hereof; the same shall apply hereinafter unless otherwise separately stipulated), among the Specified Assets set forth in Article 11, Paragraphs 2 and 3 hereto, that are primarily used as housing (the "Rental Housing") or Healthcare Facility (meaning private nursing homes and residential facilities for the residence or utilization by the elderly, including, but not limited to, buildings that are primarily categorized as fee-based homes for the elderly and elderly housing with support services together with other facilities for the elderly, as well as medical facilities) in accordance with the basic asset management policies set forth in Article 9 (the Rental Housing and the Healthcare Facility shall be collectively referred to as the "Life and Welfare Related Facility" hereinafter). When the Corporation acquires part or all of one or multiple Real Estate, etc. that can be integrally used for multiple purposes in terms of social or economic use or the Real Estate Backed Securities backed by such Real Estate, etc., the Corporation can acquire such asset on condition that the primary use of such multi-purpose facility and the primary use of the portion that the Corporation will own is the Life and Welfare Related Facility.
2. When investing in the assets set forth in the preceding paragraph, the Corporation shall regionally diversify investments in order to secure stable cash flows by mitigating risks associated with changes in local economies and rental markets, and with earthquakes, etc. The investment territory shall include the national capital region, ordinance-designated cities, prefectural capitals and other similar cities, and commuting areas around thereof, and the Corporation shall diversify investments throughout Japan by region.	2. When investing in the Rental Housing, the Corporation shall regionally diversify investments in order to secure stable cash flows by mitigating risks associated with changes in local economies and rental markets, and with earthquakes, etc. The investment territory for the Rental Housing shall include the national capital region, ordinance-designated cities, prefectural capitals and other similar cities, and commuting areas around thereof, and the Corporation shall diversify investments throughout Japan by region. The Corporation shall diversify investments with different categories of the Rental Housing in order to secure stable cash flows by mitigating risks associated with changes in the rental markets for each category of the Rental Housing. The categories of the Rental Housing for investments shall be the one-room type and the family-type.
3. When investing in the assets set forth in Paragraph 1 above, the Corporation shall diversify investments with different categories of the Rental Housing in order to secure stable	(Deleted)

Current Articles of Incorporation	Proposed Amendments
cash flows by mitigating risks associated with changes in the rental markets for each category of the Rental Housing. The categories of the Rental Housing for investments shall be the one-room type and the family-type.	
4. When investing in each Real Estate, etc., the Corporation shall make comprehensive judgements based on an examination of investment value, whereby a full investigation is conducted in respect of expected earnings, site area and housing environment, construction and equipment specifications, earthquake-resisting capacity, related rights, building management conditions, environment and geology of the relevant Real Estate, etc. and others.	3. When investing in the Rental Housing, the Corporation shall make comprehensive judgements based on an examination of investment value, whereby a full investigation is conducted in respect of expected earnings, site area and housing environment, construction and equipment specifications, earthquake-resisting capacity, related rights, building management conditions, environment and geology of the relevant Rental Housing and others.
(New Provision)	4. When investing in the Healthcare Facility, the Corporation shall mainly invest in facilities located in Three Major Metropolitan Areas consisting of the greater Tokyo area, the Chukyo area and the Kinki area where concentration of the entire population and the elderly population can be expected to secure medium to long-term stable management, as well as invest in the Healthcare Facilities located throughout Japan to diversify the risk of the portfolio.
(New Provision)	5. When investing in the Healthcare Facility, the Corporation shall make comprehensive judgements based on comprehensive examination of (i) general factors including economic factors (such as economic and financial condition, trend in financial and real estate market), social factors (such as trend in the elderly population and the number of those who are certified for being eligible of long term care) and administrative factors (such as nursing and medical insurance system and regulations on the Healthcare Facility supply), (ii) local factors of the surrounding area of the property (such as transportation accessibility, vicinity to retail and public facilities, quality for residence; hereinafter the same shall apply), and (iii) factors for the individual property such as specification of the building and performance of the operator as tenant and level of rent.
(New Provision)	6. While the Corporation generally aims to own the properties for medium to long-term, if necessary for maintenance of optimal composition of the portfolio, the Corporation shall make comprehensive determinations for the benefit of the unitholders with its best effort concerning the sale of the Real Estate, etc. or the Real Estate Backed Securities which the Corporation owns, taking into consideration the current and future profitability of the Real Estate, etc. (including those underlying the Real Estate Backed Securities; the same shall apply in this paragraph), the condition of the area where the property is located, the status of deterioration and obsolescence of the Real Estate, etc., and the composition of the Corporation's portfolio. The Corporation shall make comprehensive examination of market condition and the composition of the Corporation's portfolio when it sells the Real Estate, etc. or the Real Estate Backed Securities.
5. Notwithstanding the provisions of the preceding paragraphs, if a sudden change in the macroeconomic variables or the management environment of the Corporation arises, such as changes in general economic conditions, monetary conditions, consumption trends, real estate market trends, etc. that may detract from unitholder interest in the Real Estate, etc., the Corporation may take measures necessary to secure the interest of the unitholders.	7. Notwithstanding the provisions of the preceding paragraphs, if a sudden change in the macroeconomic variables or the management environment of the Corporation arises, such as changes in general economic conditions, monetary conditions, consumption trends, real estate market trends, etc. that may detract from unitholder interest in the Real Estate, etc., the Corporation may take measures necessary to secure the interest of the unitholders.

Current Articles of Incorporation	Proposed Amendments
6. The investment ratio of the assets to be acquired by the Corporation shall be subject to the following policy. The proportion of the aggregate value of the specified real estate (this means among the Specified Assets that the Corporation acquires, real estate, real estate leasehold rights or surface rights or beneficiary interests having real estate ownership, leasehold rights in land or surface rights as trust assets) to the aggregate value of the Specified Assets held by the Corporation shall be no less than 75%.	8. The proportion of the aggregate value of the specified real estate (this means among the Specified Assets that the Corporation acquires, real estate, real estate leasehold rights or surface rights or beneficiary interests having real estate ownership, leasehold rights in land or surface rights as trust assets) to the aggregate value of the Specified Assets held by the Corporation shall be no less than 75%.
7. (Omitted)	9. (Unchanged)
8. Any and all transactions, excluding the transactions set forth in Paragraphs 2, 3, 4 and 7 above, shall be made only when it is determined (i) that such transactions are allowed under laws and ordinances, regulations established by the Investment Trusts Association, Japan (the "Investment Trusts Association") and these Articles of Incorporation, and (ii) that such transactions are beneficial for the management of the assets of the Corporation.	10. Any and all transactions, excluding the transactions set forth in Paragraphs 2, 4, 6 and 9 above, shall be made only when it is determined (i) that such transactions are allowed under laws and ordinances, regulations established by the Investment Trusts Association, Japan (the "Investment Trusts Association") and these Articles of Incorporation, and (ii) that such transactions are beneficial for the management of the assets of the Corporation.
Article 11. *(Assets as Target for Asset Management)*	Article 11. *(Assets as Target for Asset Management)*
1. The Corporation shall invest in Real Estate, etc. set forth in Paragraph 2 in accordance with the basic asset management policies set forth in Article 9.	1. The Corporation shall invest in Real Estate, etc. set forth in Paragraph 2 and Real Estate Backed Securities set forth in Paragraph 3 in accordance with the basic asset management policies set forth in Article 9.
2. (Omitted)	2. (Unchanged)
(New Provision)	3. The Real Estate Backed Securities set forth in Paragraph 1 shall be as listed below and more than half of underlying assets of which shall be invested in the Real Estate, etc. (1) Preferred equity certificates (as defined in the Act concerning Liquidation of Assets (Act No. 105 of 1998, as amended; hereinafter the "Asset Liquidation Act")); (2) Beneficial certificates (as defined in the Investment Trust Act); (3) Investment unit certificates (as defined in the Investment Trust Act); (4) Beneficial certificates of specified purpose trust (as defined in the Asset Liquidation Act (excluding those investing in the assets set forth in Paragraph 2 Items (4) or (5) above)); and (5) Equity interests certificates in anonymous association (meaning as set forth in the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; hereinafter the "FIEA").
3. The Corporation may invest in the following Specified Assets, in addition to the Real Estate, etc. set forth in the preceding paragraph:	4. The Corporation may invest in the following Specified Assets, in addition to the Real Estate, etc. set forth in Paragraph 2 and the Real Estate Backed Securities set forth in the preceding paragraph:
(1)～(3) (Omitted)	(1)～(3) (Unchanged)
(4) Securities (meaning securities defined in Article 3, Item 1 of the Investment Trust Act Enforcement Order; Order No. 480 of 2000, as amended) (the "Investment Trust Act Enforcement Order") (excluding items falling under securities among those set forth in Paragraph 2 and this	(4) Securities (meaning securities defined in Article 3, Item 1 of the Investment Trust Act Enforcement Order; Order No. 480 of 2000, as amended) (the "Investment Trust Act Enforcement Order") (excluding items falling under securities among those set forth in Paragraph 2, Paragraph 3

Current Articles of Incorporation	Proposed Amendments
paragraph);	and this paragraph);
(5) Monetary receivables (as defined in Article 3, Item 7 of the Investment Trust Act Enforcement Order) (excluding those assets listed in Items 1 through 3 of this paragraph);	(Deleted)
(6) Beneficial interests of money trusts the purpose of which is to invest the trust properties in the assets set forth in each of the preceding items of this paragraph;	(Deleted)
(7) Rights relating to derivative transactions (as defined in Article 3, Item 2 of the Investment Trust Act Enforcement Order); and	(5) Rights relating to derivative transactions (as defined in Article 3, Item 2 of the Investment Trust Act Enforcement Order);
(New Provision)	(6) Monetary receivables (as defined in Article 3, Item 7 of the Investment Trust Act Enforcement Order) (excluding those assets listed in Items 1 through 3 of this paragraph);
(New Provision)	(7) Beneficial interests of money trusts the purpose of which is to invest the trust properties in the assets set forth in each of the preceding items of this paragraph or the items of Paragraph 5;
(New Provision)	(8) Beneficial interests of money trusts the purpose of which is to invest the trust properties in equity interests in anonymous association; and
(8) Renewable energy power generation facilities (as defined in Article 3, Item 11 of the Investment Trust Act Enforcement Order; hereinafter the same shall apply).	(9) Renewable energy power generation facilities (as defined in Article 3, Item 11 of the Investment Trust Act Enforcement Order; hereinafter the same shall apply).
4. (Omitted)	5. (Unchanged)
(1), (2) (Omitted)	(1), (2) (Unchanged)
(3) Specified contribution as set forth in Article 2, Paragraph 6 of the Act concerning Liquidation of Assets (Act No. 105 of 1998, as amended; hereinafter the "Asset Liquidation Act") (limited to the case where the investment in the assets listed in Paragraph 2, Items (1) through (4) is practically intended);	(3) Specified contribution as set forth in Article 2, Paragraph 6 of the Asset Liquidation Act (limited to the case where the investment in the assets listed in Paragraph 2, Items (1) through (4) is practically intended);
(4), (5) (Omitted)	(4), (5) (Unchanged)
(6) Beneficial interests of money trusts the purpose of which is to invest the trust properties in assets set forth in each of the preceding items.	(Deleted)
5. Regarding the rights to be represented on securities as prescribed in Article 2, Paragraph 2 of the Financial Instruments and Exchange Act (Act No. 25 of 1948, as amended; hereinafter the "FIEA"), if securities that represent the relevant rights are not issued, such rights shall be deemed as securities and Paragraph 2 through Paragraph 4 shall apply.	6. Regarding the rights to be represented on securities as prescribed in Article 2, Paragraph 2 of the FIEA, if securities that represent the relevant rights are not issued, such rights shall be deemed as securities and Paragraph 2 through Paragraph 5 shall apply.
Article 12. *(Investment Restrictions)*	Article 12. *(Investment Restrictions)*
1. The Corporation shall make an investment in securities and monetary receivables set forth in Paragraph 3 of the preceding article putting emphasis on the safety and liquidity thereof, but rather shall not seek only to acquire investment profit aggressively.	1. The Corporation shall make an investment in securities and monetary receivables set forth in Paragraph 4 of the preceding article taking into account the safety, liquidity, or relevance to Specified Assets set forth in Paragraph 2 or 3 of the preceding article, but rather shall not seek only to acquire investment profit aggressively.
2. The Corporation may invest in rights relating to a derivative transaction set forth in Paragraph 3, Item (7) of the immediately preceding article; provided, however, that such investment shall be limited to those to be made for the purpose of hedging an interest rate risk or other risks arising from the Corporation's liabilities.	2. The Corporation may invest in rights relating to a derivative transaction set forth in Paragraph 4, Item (5) of the immediately preceding article; provided, however, that such investment shall be limited to those to be made for the purpose of hedging an interest rate risk or other risks arising from the Corporation's liabilities.
(New Provision)	3. The Corporation shall not proactively invest in renewable energy power generation facilities set forth in Paragraph 4, Item (9) of the preceding article, but rather may acquire such

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	assets only when it is necessary or useful to acquire such assets in connection with acquisition of Specified Assets set forth in Paragraph 2 or 3 of the preceding article in order to supplement real estate investment which is the Corporation's primary investment target.
3. (Omitted)	4. (Unchanged)
4. The Corporation may not invest in real estate located outside Japan or assets mainly backed by real estate located outside Japan, assets denominated in a foreign currency or securities mainly traded in foreign securities markets.	5. The Corporation may not invest in Real Estate, etc. located outside Japan or assets mainly backed by Real Estate, etc. located outside Japan, assets denominated in a foreign currency or securities mainly traded in foreign securities markets.
Article 13. *(Leasing of Incorporated Assets)*	Article 13. *(Leasing of Incorporated Assets)*
1. The Corporation shall, in order to obtain medium and long-term stable earnings from assets, lease real estate from among the Specified Assets held by the Corporation through executing lease agreements with third parties. Further, with respect to the real estate which is the trust assets related to the beneficial interests, among the Specified Assets, held by the Corporation, the Corporation shall cause the trustee of the trust to execute lease agreements with third parties in order to lease such real estate.	1. The Corporation, in principle, shall, in order to obtain medium and long-term stable earnings from assets, lease real estate from among the Specified Assets held by the Corporation through executing lease agreements with third parties. Further, with respect to the real estate which is the trust assets related to the beneficial interests, among the Specified Assets, held by the Corporation, the Corporation, in principle, shall cause the trustee of the trust to execute lease agreements with third parties in order to lease such real estate, or execute lease agreements (master lease agreements) with the trustee and then sublease the premise to third parties by executing lease agreements (sublease agreements) with third parties.
2.～4. (Omitted)	2.～4. (Unchanged)
Article 14. *(Methods, Standards and Calculation Date of Appraisal of Assets)*	Article 14. *(Methods, Standards and Calculation Date of Appraisal of Assets)*
1. (Omitted)	1. (Unchanged)
(1), (2) (Omitted)	(1), (2) (Unchanged)
(3) Securities set forth in Article 11, Paragraph 3, Items (3) and (4) above: If there is a market price for the relevant securities, appraisals shall be made at the value based on the market price (the price on a financial instruments exchange, the price publicly announced by the securities dealers' association and others, or the transaction price concluded on the similar transaction system where purchases, sales and cash conversions are made from time to time; hereinafter the same) or if no market price exists, the value calculated using a reasonable method; provided, however, that, in the case of preferential shares set forth in Article 2 of the Asset Liquidation Act, if there is no value calculated based on the market price or a value calculated using a reasonable method, appraisals may be made at the acquisition price.	(3) Real Estate Backed Securities set forth in Article 11, Paragraph 3 and securities set forth in Article 11, Paragraph 4, Items (3) and (4) above: If there is a market price for the relevant Real Estate Backed Securities or securities, appraisals shall be made at the value based on the market price (the price on a financial instruments exchange, the price publicly announced by the securities dealers' association and others, or the transaction price concluded on the similar transaction system where purchases, sales and cash conversions are made from time to time; hereinafter the same) or if no market price exists, the value calculated using a reasonable method; provided, however, that, in the case of preferential shares set forth in Article 2 of the Asset Liquidation Act, if there is no value calculated based on the market price or a value calculated using a reasonable method, appraisals may be made at the acquisition price.
(4) Monetary receivables set forth in Article 11, Paragraph 3, Item (5) above: Appraisals shall be made at the amount obtained by deducting the allowance for doubtful accounts from the acquisition price; provided, however, that, in the case of monetary receivables obtained under par or above par, where the difference between the acquisition price thereof and the claim amount is deemed to be of the nature of adjustment of interest, appraisals shall be made at the amount obtained by	(Deleted)

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deducting the allowance for doubtful accounts from the value calculated by the amortized cost method.	
(5) Beneficial interests of money trusts set forth in Article 11, Paragraph 3, Item (6) above: Appraisals shall be made at the value calculated as the amount equivalent to the relevant Corporation's equity interests in beneficial interests of money trusts, after (i) aggregating the amount of the investment assets appraised by the relevant method provided for in Items (1) through (4) and Items (6) and (7) of this paragraph, and if such component assets are financial assets or liabilities, the amount thereof appraised in accordance with generally accepted corporate accounting standards and other corporate accounting practices, and (ii) the amount of liabilities deducting from the sum thereof.	(Deleted)
(6) Rights relating to derivative transactions set forth in Article 11, Paragraph 3, Item (7) above: (Omitted)	(4) Rights relating to derivative transactions set forth in Article 11, Paragraph 4, Item (5) above: (Unchanged)
(New Provision)	(5) Monetary receivables set forth in Article 11, Paragraph 4, Item (6) above: Appraisals shall be made at the amount obtained by deducting the allowance for doubtful accounts from the acquisition price; provided, however, that, in the case of monetary receivables obtained under par or above par, where the difference between the acquisition price thereof and the claim amount is deemed to be of the nature of adjustment of interest, appraisals shall be made at the amount obtained by deducting the allowance for doubtful accounts from the value calculated by the amortized cost method.
(New Provision)	(6) Beneficial interests of money trusts set forth in Article 11, Paragraph 4, Items (7) and (8) above: Appraisals shall be made at the value calculated as the amount equivalent to the relevant Corporation's equity interests in beneficial interests of money trusts, after (i) aggregating the amount of the investment assets appraised by the relevant method provided for in Items (1) through (5) and Item (7) of this paragraph, and if such component assets are financial assets or liabilities, the amount thereof appraised in accordance with generally accepted corporate accounting standards and other corporate accounting practices, and (ii) the amount of liabilities deducting from the sum thereof.
(7) (Omitted)	(7) (Unchanged)
2. (Omitted)	2. (Unchanged)
3. The calculation date of the asset appraisals shall be the Settlement Date (as defined in Article 16; hereinafter the same shall apply); provided, however, that, in the case where the assets provided for in Paragraph 1, Item (3) and Item (6), which may be appraised using the market price thereof, the calculation date shall be the last day of each month.	3. The calculation date of the asset appraisals shall be the Settlement Date (as defined in Article 16; hereinafter the same shall apply); provided, however, that, in the case where the assets provided for in Paragraph 1, Item (3) and Item (4), which may be appraised using the market price thereof, the calculation date shall be the last day of each month.
4. (Omitted)	4. (Unchanged)
Article 15. *(Cash Distribution Policies)*	Article 15. *(Cash Distribution Policies)*
(1) (Omitted)	(1) (Unchanged)
(2) If monetary distribution is conducted within the limit of the amount of profit, distribution amounts shall be determined by the Corporation and such distribution amounts shall exceed 90% of the profits available for distribution of the Corporation as provided for in Article 67-15 of the Special	(2) If monetary distribution is conducted within the limit of the amount of profit, distribution amounts shall be determined by the Corporation and such distribution amounts shall exceed 90% of the profits available for distribution of the Corporation as provided for in Article 67-15 of the Special

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Taxation Measures Act (Act No. 26 of 1957, as amended) (provided, however, that in case of any change in calculation of such amounts due to an amendment to relevant laws and regulations, the distribution amounts after such change shall apply). The Corporation may accumulate, retain or otherwise process reserves that are deemed to be necessary for maintaining its Investment Assets or improving the value thereof such as the long-term reserve for maintenance, payment reserve, reserve for distribution, reserve for reduction entry and reserve for temporary difference adjustment, and other similar reserves and accounts and necessary amounts from the Distributable Amount.	Taxation Measures Act (Act No. 26 of 1957, as amended; hereinafter the "Special Taxation Measures Act") (provided, however, that in case of any change in calculation of such amounts due to an amendment to relevant laws and regulations, the distribution amounts after such change shall apply). The Corporation may accumulate, retain or otherwise process reserves that are deemed to be necessary for maintaining its Investment Assets or improving the value thereof such as the long-term reserve for maintenance, payment reserve, reserve for distribution, reserve for reduction entry and reserve for temporary difference adjustment, and other similar reserves and accounts and necessary amounts from the Distributable Amount.
(3)～(7) (Omitted)	(3)～(7) (Unchanged)
Article 17. *(Borrowings and Issuing Investment Corporation Bonds)*	Article 17. *(Borrowings and Issuing Investment Corporation Bonds)*
1.～3. (Omitted)	1.～3. (Unchanged)
4. In case of borrowing funds, the Corporation shall borrow such funds only from the qualified institutional investors provided for in Article 2, Paragraph 3, Item 1 of the FIEA (limited to institutional investors set forth in Article 67-15, Paragraph 1, Item 1(b)(2) of the Special Taxation Measures Act (Act No. 26 of 1957, as amended)).	4. In case of borrowing funds, the Corporation shall borrow such funds only from the qualified institutional investors provided for in Article 2, Paragraph 3, Item 1 of the FIEA (limited to institutional investors set forth in Article 67-15, Paragraph 1, Item 1(b)(2) of the Special Taxation Measures Act).
Article 19. *(Convocation of Meetings)*	Article 19. *(Convocation of Meetings)*
1. (Omitted)	1. (Unchanged)
2. A general meeting of unitholders of the Corporation shall be convened on May 1, 2016 or onwards without delay and subsequent meetings shall be convened on May 1 or onwards without delay every two years. In addition, the Corporation may convene a general meeting of unitholders as necessary.	2. A general meeting of unitholders of the Corporation shall be convened on December 1, 2021 or onwards without delay and subsequent meetings shall be convened on December 1 or onwards without delay every two years. In addition, the Corporation may convene a general meeting of unitholders as necessary.
Article 25. *(Record Date)*	Article 25. *(Record Date)*
1. In a case where the Corporation convenes a general meeting of unitholders pursuant to the provision of the first sentence of Article 19, Paragraph 2, the Corporation shall designate the unitholders registered or recorded in the final register of unitholders as of March 31, 2016 and on March 31 of every two years onward as unitholders who may exercise the rights thereof at the relevant general meeting of unitholders subject to the convocation.	1. In a case where the Corporation convenes a general meeting of unitholders pursuant to the provision of the first sentence of Article 19, Paragraph 2, the Corporation shall designate the unitholders registered or recorded in the final register of unitholders as of September 30, 2021 and on September 30 of every two years onward as unitholders who may exercise the rights thereof at the relevant general meeting of unitholders subject to the convocation.
2.～3. (Omitted)	2.～3. (Unchanged)
Article 36. *(Amount of Compensation or Standards regarding Payment of Compensation for the Independent Auditor and Timing of Payment)*	Article 36. *(Amount of Compensation or Standards regarding Payment of Compensation for the Independent Auditor and Timing of Payment)*
The compensation amount to the independent auditor for each fiscal period shall be determined by the Board of Directors to be an amount not to exceed 30 million yen. Such amount shall be paid no later than three months after the relevant Settlement Date by way of remittance to a bank account designated by the relevant independent auditor.	The compensation amount to the independent auditor for each fiscal period shall be determined by the Board of Directors to be an amount not to exceed 30 million yen. Such amount shall be paid no later than the end of the month following the month when the Corporation has received all the audit reports required under the Investment Trust Act and other relevant laws and regulations for the relevant Settlement Date, by way of remittance to a bank account designated by the relevant independent auditor.
Article 40. *(Burden of Expenses)*	Article 40. *(Burden of Expenses)*

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The Corporation shall bear the following expenses:	The Corporation, in principle, shall bear the following expenses:
(New Provision)	CHAPTER VIII SUPPLEMENTARY PROVISIONS
(New Provision)	Article 41. *(Supplementary Provisions)*
(New Provision)	1. The amendments to the heading, Article 1, each Paragraph of Article 10, Article 11, Paragraph 1 and Paragraphs 3 through 6, each Paragraph of Article 12, Article 13, Paragraph 1, Article 14, Paragraph 1, Items 3 through 6 and Paragraph 3, Article 19, Paragraph 2, Article 25, Paragraph 1 and Exhibit I shall take effect on the effective date of the absorption-type merger between the Corporation as the surviving corporation and Nippon Healthcare Investment Corporation as the absorbed corporation under the merger agreement dated November 19, 2019 entered into between the Corporation and Nippon Healthcare Investment Corporation (the "Merger") on condition that the Merger takes effects.
(New Provision)	2. The amendments to Article 3, Article 36 and Article 40 shall take effect on April 1, 2020.
(New Provision)	3. Paragraph 1 of this article shall be deleted on the effective date of the Merger and Paragraph 2 of this article shall be deleted on April 1, 2020 and this chapter shall be deleted when the two preceding paragraphs have been deleted.
Exhibit I (1) Management Fee 1 Each fiscal period of the Corporation shall be divided into [a] the period from the initial day of the relevant fiscal period to the day corresponding to three months after the immediately preceding Settlement Date and [b] the period from the day following the final day of the above-mentioned period until the Settlement Date (hereinafter each referred to as the "Calculation Period") and for each Calculation Period, this shall be the amount obtained by multiplying the total asset value shown on the balance sheet (limited to the one that has received approval prescribed in Article 131, Paragraph 2 of the Investment Trust Act) as of the immediately preceding Settlement Date of the Corporation by a rate that will be a maximum of 0.50% (annual rate) (prorated based on a 365-day year, according to the actual number of days in the relevant Calculation Period, with units of less than one yen disregarded). The Management Fee 1 shall be paid by each of payment dates (which are the last day of February, May, August and November of each year) that falls immediately after the last day of each Calculation Period.	Exhibit I (1) Management Fee 1 Each fiscal period of the Corporation shall be divided into [a] the period from the initial day of the relevant fiscal period to the day corresponding to three months after the immediately preceding Settlement Date and [b] the period from the day following the final day of the above-mentioned period until the Settlement Date (hereinafter each referred to as the "Calculation Period") and for each Calculation Period, this shall be the amount obtained by multiplying the total asset valuation amount which is calculated by the following method by a rate that will be a maximum of 0.20% (annual rate) (prorated based on a 365-day year, according to the actual number of days in the relevant Calculation Period, with units of less than one yen disregarded). The Management Fee 1 shall be paid by each of payment dates (which are the last day of February, May, August and November of each year) that falls immediately after the last day of each Calculation Period. The total asset valuation amount for each Calculation Period shall mean the total of the appraisal value (meaning the appraisal value or other value which is obtained pursuant to Article 14, Paragraph 2; provided, however, that, if such value is not available, the acquisition price (as shown in the relevant agreement for acquisition of such assets and excluding acquisition related costs as well as national and local consumption taxes; hereinafter the same shall apply) shall be applied) of real estate related investment assets (meaning the Real Estate, etc. and the Real Estate Backed Securities; hereinafter the same shall apply) as of the immediately preceding Settlement Date of the Corporation.
(2) Management Fee 2 This shall be the amount that results from multiplying net income before income taxes (excluding gain on negative goodwill) prior to the deduction of Management Fee 2 calculated for each fiscal period of the Corporation by a rate that will be a maximum of 3.0% (annual rate) (with units of less than one yen disregarded). The Management Fee No. 2 shall be paid by the end of the month that follows the	(2) Management Fee 2 This shall be the amount that results from multiplying net income before income taxes (the amount after adding goodwill amortization cost and deducting gain on negative goodwill) prior to the deduction of Management Fee 2 calculated for each fiscal period of the Corporation by a rate that will be a maximum of 8.0% (with units of less than one yen disregarded). The Management Fee No. 2 shall

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month when the Board of Directors of the Corporation approved the financial statements, etc. (3) Acquisition Fee This shall be the amount that results from multiplying the acquisition price (excluding the amounts equivalent to national and local consumption tax for the building) by a rate that will be a maximum of 1.0% (with units of less than one yen disregarded) in a case where assets are acquired (excluding acquisition through a merger). The term "acquisition price" means the amount stated in the purchase and sale agreement, excluding the costs in connection with the acquisition as well as the national and local consumption tax. The Acquisition Fee shall be paid by the end of the month that follows the month to which the day of acquisition belongs (i.e., the day when the transfer of rights, including the transfer of ownership, takes effect). (4) Transfer Fee This shall be the amount that results from multiplying the sale price (excluding the amounts equivalent to national and local consumption tax on the building) by a rate that will be a maximum of 0.5% (with units of less than one yen disregarded) in a case where assets are transferred (excluding transfer through a merger). The term "sale price" means the amount stated in the purchase and sale agreement, excluding the costs in connection with the transfer as well as the national and local consumption tax. The Transfer Fee shall be paid by the end of the month that follows the month to which the day of transfer belongs (i.e., the day when the transfer of rights, including the transfer of ownership, takes effect). (5) Merger Fee This shall be, in case of a merger with another investment corporation (including a consolidation-type merger and an absorption-type merger whereby the Corporation is the surviving corporation or the absorbed corporation; hereinafter the same shall apply), when the Asset Management Company investigates and evaluates the assets, etc. held by the other party of the merger and performs other services related to the merger on behalf of the Corporation and the merger takes effect, the amount that results from multiplying the total valuation amount of real estate, etc. held by the other party of the merger that is to be succeeded to or to be held by the newly established entity under the consolidation-type merger or the surviving corporation under the absorption-type merger on the day that the merger takes effect by a rate that will be a maximum of 1.0% (with units of less than one yen disregarded). The Merger Fee shall be paid within three months from the end of the month to which the effective date of the merger belongs.	be paid by the end of the month that follows the month when the Board of Directors of the Corporation approved the financial statements, etc. (3) Acquisition Fee a. This shall be the amount that results from multiplying the acquisition price by a rate that will be a maximum of 1.0% (with units of less than one yen disregarded) in a case where the Rental Housing is acquired (excluding acquisition through a merger). b. This shall be the amount that results from multiplying the acquisition price by a rate that will be a maximum of 1.5% (with units of less than one yen disregarded) in a case where the Healthcare Facility is acquired (excluding acquisition through a merger). c. The Acquisition Fee shall be paid by the end of the month that follows the month to which the day of acquisition belongs (i.e., the day when the transfer of rights, including the transfer of ownership, takes effect). (4) Transfer Fee This shall be the amount that results from multiplying the sale price by a rate that will be a maximum of 0.5% (with units of less than one yen disregarded) in a case where real estate related investment assets are transferred (excluding transfer through a merger). The term "sale price" means the price as shown in the relevant agreement for transfer of such assets and excluding transfer related costs as well as national and local consumption taxes. The Transfer Fee shall be paid by the end of the month that follows the month to which the day of transfer belongs (i.e., the day when the transfer of rights, including the transfer of ownership, takes effect). (5) Merger Fee This shall be, in case of a merger with another investment corporation (including a consolidation-type merger and an absorption-type merger whereby the Corporation is the surviving corporation or the absorbed corporation; hereinafter the same shall apply), when the Asset Management Company investigates and evaluates the assets, etc. held by the other party of the merger and performs other services related to the merger on behalf of the Corporation and the merger takes effect, the amount that results from multiplying the total valuation amount of real estate related investment assets held by the other party of the merger that is to be succeeded to or to be held by the newly established entity under the consolidation-type merger or the surviving corporation under the absorption-type merger on the day that the merger takes effect by a rate that will be a maximum of 1.0% (with units of less than one yen disregarded). The Merger Fee shall be paid within three months from the end of the month to which the effective date of the merger belongs.

Resolution 2: Appointment of Two (2) Executive Directors

Since Executive Director Ikuo Shoda has shown his intention to resign as of the date immediately preceding the effective date of the Merger in anticipation of the Merger taking into effect, JRH requests for the appointment of two Executive Directors as of the effective date of the Merger, subject to the Merger taking effect.

By application of the first sentence of Article 28, Paragraph 1 of the current Articles of Incorporation, the term of office of the Executive Directors under this resolution shall be two years from the effective date of the Merger.

This proposal for resolution is submitted based on the agreement of all Supervisory Directors of JRH at the meeting of the Board of Directors held on December 24, 2019.

The candidates for Executive Directors are as set forth below.

Candidate number	Name (Date of Birth)	Professional History, Significant Concurrent Positions, and Position and Duties in Charge at JRH	
1	Ikuo Shoda August 12, 1955	April 1979	Daiwa Securities Co. Ltd. (currently, Daiwa Securities Group Inc.)
		February 2002	Head of Investment Trust Department of Daiwa Securities Co. Ltd.
		April 2007	Senior Managing Director of Daiwa Securities Co. Ltd.
		April 2009	Executive Managing Director of Daiwa Securities Co. Ltd.
		April 2011	Senior Executive Managing Director of Daiwa Asset Management Co. Ltd.
		April 2016	Adviser of Daiwa Asset Management Co. Ltd.
		May 2018	Executive Director, Japan Rental Housing Investments Inc. (present)
2	Shunichi Suzuki February 14, 1957	April 1979	Daiwa Securities Co. Ltd. (currently, Daiwa Securities Group Inc.)
		April 1999	Head of Investment Advisory & Trading Department of Daiwa Securities Co. Ltd.
		February 2000	Head of Accounting & Finance Department of Daiwa Securities Co. Ltd.
		April 2001	Head of Corporate Planning Department of Daiwa Securities Co. Ltd.
		May 2004	Executive Officer (Planning Officer and Head of Secretariat) of Daiwa Securities SMBC Co. Ltd. (currently, Daiwa Securities Co. Ltd.)
		April 2005	Executive Officer (Fixed Income Officer) of Daiwa Securities SMBC Co. Ltd. (currently, Daiwa Securities Co. Ltd.)
		April 2007	President of Daiwa Securities Loan Co., Ltd.
		June 2010	President of Daiwa Sanko Co., Ltd. (currently, Daiwa Office Services Co., Ltd.)
		April 2017	Advisor of Daiwa Sanko Co., Ltd. (currently, Daiwa Office Services Co., Ltd.)
		July 2018	Executive Director, Nippon Healthcare Investment Corporation (present)

1. The above referenced candidates for Executive Directors do not hold any investment units of JRH.
2. Among the candidates, Ikuo Shoda is currently in charge of overall business operation of JRH as the executive director of JRH.
3. Among the candidates, Shunichi Suzuki is currently in charge of overall business operation of Nippon Healthcare Investment Corporation as the executive director of the said investment corporation, which entered into a merger agreement with JRH on November 19, 2019.
4. Other than the above, there are no special interests between the above referenced candidates for Executive Directors and JRH.

Resolution 3: Appointment of Three (3) Supervisory Directors

Since Supervisory Directors Kouhei Yabuta and Jun Nagamine have shown their intention to resign as of the date immediately preceding the effective date of the Merger in anticipation of the Merger taking into effect, JRH requests for the appointment of three Supervisory Directors as of the effective date of the Merger, subject to the Merger taking effect.

By application of the first sentence of Article 28, Paragraph 1 of the current Articles of Incorporation, the term of office of the Supervisory Directors under this resolution shall be two years from the effective date of the Merger.

The candidates for Supervisory Directors are as set forth below.

Candidate number	Name (Date of Birth)	Professional History, Significant Concurrent Positions, and Position at JRH	
1	Kouhei Yabuta December 24, 1961	March 1991	Completed the Legal Research and Training Institute of the Supreme Court of Japan (the 43rd term)
		April 1991	Bar admission (Daiichi Tokyo Bar Association) Joined the Hashidate Law Office
		April 1997	Partner attorney at the Hashidate Law Office (present)
		January 2006	Supervisory Director, Japan Rental Housing Investments Inc. (present)
		April 2016	Tokyo District Court Civil Conciliation Commissioner (present)
		April 2016	Auditor (Part-time), Tranzax Co., Ltd (present)
2	Jun Nagamine March 10, 1957	September 1981	Tohmatsu Awoki & Co. (currently, Deloitte Touche Tohmatsu LLC)
		September 1983	Tohmatsu Touche Ross Consulting Co., Ltd. (currently, ABeam Consulting Ltd.)
		September 1987	Registered as a certified public accountant
		September 1987	Bankers Trust Company (currently, Deutsche Bank)
		September 1989	Opened Nagamine Accounting Office, Representative
		February 1990	Registered as a certified public tax accountant
		October 2001	TPI Limited Co. (currently, JC Accounting KK), President and CEO (present)
		March 2008	GCA Savvian Group Corp., Auditor
		January 2009	Supervisory Director, Japan Rental Housing Investments Inc. (present)
		April 2009	Nagamine Mishima Accounting Office, Partner (present)
		April 2018	Auditor, Supernurse Co., Ltd. (present)
3	Chizuko Nakata September. 29, 1956	November 1981	Coopers & Lybrand
		March 1984	Registered as a certified public accountant Representative of Nakata CPA Firm (present)
		July 1996	Representative Director, Nakata Business Consulting LLC (currently, Nakata Business Consulting Co., Ltd.) (present)
		May 2000	Registered as a certified public tax accountant
		August 2014	Supervisory Director, Nippon Healthcare Investment Corporation (present)
		December 2015	Auditor, Nihon Nohyaku Co., LTD. (present)

1. None of the above referenced candidates for Supervisory Directors hold investment units of JRH.
2. Among the candidates, Kouhei Yabuta and Jun Nagamine are currently supervising the general operations of JRH by its executive director as supervisory directors of JRH.
3. Among the candidates, Chizuko Nakata is currently supervising the general operations of Nippon Healthcare Investment Corporation by its executive director as a supervisory director of the said investment corporation, which entered into a merger agreement with JRH on November 19, 2019.
4. Other than the above, there are no special interests between the above referenced candidates for Supervisory Directors and JRH.

Reference Items

In cases where two or more proposals are submitted to the General Meeting of Unitholders and one proposal is in conflict in its nature with another proposal, both of such proposals shall be excluded from “deemed approval” prescribed in Article 24 of the current Articles of Incorporation pursuant to Article 93, Paragraph 1 of the Act Concerning Investment Trusts and Investment Corporations.

With respect to Resolution 1 through Resolution 3 above, none fall under the category of conflicting proposals.

END